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1 5248
RECORDATION NO. Filed 1225

JUN 19 1987 - 3 10 PM

INTERSTATE COMMERCE COMMISSION

No. 7-170A003

Date JUN 19 1987

Fee \$ 10.00

ICC Washington, D.C.

\$10.00
filing fee

June 19, 1987

CSX Corporation
Lease Financing Dated as of June 1, 1987
of
250 RoadRailer Vans

Dear Ms. McGee:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of CSX Logistics, Inc., for filing and recordation, counterparts of the following document:

Lease of RoadRailer Vans dated as of June 1, 1987, between CSX Logistics, Inc., as Lessee, and The Connecticut Bank and Trust Company, National Association, as Lessor.

The names and addresses of the parties to the aforementioned agreement are as follows:

1. Trustee-Lessor:

The Connecticut Bank and Trust Company,
National Association
One Constitution Plaza
Hartford, Connecticut 06115

2. Lessee:

CSX Logistics, Inc.
100 North Charles Street
Baltimore, Maryland 21201

ICC OFFICE OF
THE SECRETARY
JUN 19 3 45 PM '87
MOTOR OPERATOR UNIT

Darryl Allen

New Number

Please file and record the documents referred to in this letter and index them under the names of the Trustee-Lessor and the Lessee.

The equipment covered by the aforementioned document is listed on Exhibit A attached hereto.

The equipment bears the legend "Owned By A Bank Or Trust Company And Subject to A Security Agreement Filed with The Interstate Commerce Commission".

There is also enclosed a check for \$10 payable to The Interstate Commerce Commission, representing the fee for recording the Lease of RoadRailer Vans.

Please stamp all counterparts of the enclosed document with your official recording stamp. You will wish to retain one copy of the instrument and this transmittal letter for your files. It is requested that the remaining counterparts of the document be delivered to the bearer of this letter.

Very truly yours,

Laurance V. Goodrich
Laurance V. Goodrich,
as Agent for CSX Logistics, Inc.

Noreta R. McGee, Secretary,
Interstate Commerce Commission,
Washington, D.C. 20423

Encls.

APPENDIX A TO LEASE

<u>Type</u>	<u>Builder's</u>		<u>Quantity</u>	<u>Manufacturer's</u>		<u>Lessee's</u> Road Numbers (Both Inclusive)	<u>Unit Price</u>	<u>Total Price</u>	<u>Estimated Time and Place of Delivery</u>
	<u>Manufacturer</u>	<u>Specifications</u>		<u>Plant</u>	<u>Plant</u>				
Road	Wabash	Specifications	250	Lafayette, Indiana		CSRZ 914000 - CSRZ 914249	\$43,856.86	\$10,964,215	June-September, 1987, at Manu- facturer's Plant.
Mark IV	National	tions							
Model 3100	Corpora-	dated							
Van	tion	August 28, 1986.							

Interstate Commerce Commission
Washington, D.C. 20423

6/22/87

OFFICE OF THE SECRETARY

Laurance V. Goodrich
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N.Y. 10005

Dear Sir.

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/19/87 at 3:50pm, and assigned recordation number(s). 15248

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

Original Copy to be Retained by ICC

[P70575]

~~Exhibit B~~

~~Participation Agreement~~

[CS&M Ref. 2046-436]

1 5248

RECORDATION NO. Filed 1425

LEASE OF ROADTRAILER VANS

JUN 19 1987 - 3:00 PM

Dated as of June 1, 1987 INTERSTATE COMMERCE COMMISSION

Between

CSX LOGISTICS, INC.

as Lessee,

And

THE CONNECTICUT BANK AND TRUST COMPANY,
NATIONAL ASSOCIATION,
not in its individual capacity but solely
as Trustee under a Trust Agreement dated as
of the date hereof,

as Lessor.

LEASE OF ROADTRAILER VANS

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LEASE OF ROADRAILER VANS dated as of June 1, 1987 between CSX LOGISTICS, INC., a Delaware corporation ("Lessee"), and THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee ("Lessor") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with METLIFE CAPITAL CREDIT CORPORATION, a Delaware corporation ("Owner").

WHEREAS the Lessor is entering into a Purchase Agreement dated as of the date hereof ("Purchase Agreement") with the RoadRailer Division of The Chamberlain Group, Inc. ("Builder") wherein the Builder has agreed to sell and deliver to the Lessor the units of RoadRailer vans described in Appendix A hereto;

WHEREAS the Lessee desires to lease such number of units of the RoadRailer vans as are delivered and accepted and settled for under the Purchase Agreement ("Units") at the rentals and for the terms and upon the conditions hereinafter provided;

WHEREAS the Lessee has agreed to indemnify the Owner against the occurrence of certain adverse federal income tax consequences pursuant to a Tax Indemnity Agreement dated as of the date hereof (the "Indemnity Agreement");

WHEREAS it is contemplated that one or more institutional lenders ("Lenders") will lend to the Owner, on a non-recourse basis, a portion of the cost of the Units ("Debt"), that the Debt will be evidenced by non-recourse notes ("Notes") and secured by a security interest in the Units and an assignment of substantially all payments under this Lease pursuant to a security agreement ("Security Agreement") to which the Lessee will consent ("Lessee Consent") and that a bank or trust company will be appointed to represent the Lenders ("Agent"); although the Debt has not as of the date hereof been created, the terms "Lenders", "Debt", "Notes", "Security Agreement", "Lessee Consent" and "Agent" are used herein with the intention that the provisions hereof using such terms will be effective when and after the Debt is created without further action;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor

hereby leases the Units to the Lessee upon the following terms and conditions:

SECTION 1. NET LEASE

This Lease is a net lease. The Lessee's obligation to pay all rentals and other amounts hereunder shall be absolute and unconditional and, except as herein specifically provided, the Lessee shall not be entitled to any abatement of rent, reduction thereof, recoupment or setoff against rent or such other amounts, including, but not limited to, abatements, reductions, recoupments or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor or the Owner or any other party under this Lease, the Purchase Agreement or the Security Agreement (including the Lessee's rights by subrogation thereunder to the Builder or the Agent) or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time thereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final, and the Lessee shall not seek to recover all or any part of such payment from the Lessor, the Owner or the Agent for any reason whatsoever.

SECTION 2. DELIVERY

2.1. Delivery and Acceptance of Units. The Lessor hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the Purchase Agreement. Each delivery of a Unit to the Lessor under the Purchase Agreement shall be deemed to be a delivery hereunder to the Lessee at the point or points within the United States of America at which such Unit is so delivered to the Lessor. Upon such delivery, the Lessee will cause an employee of the Lessee to inspect the same and, if such Unit is found to be acceptable, to accept delivery of such Unit on behalf of the Lessor under the Purchase Agreement and on behalf of itself hereunder and execute and deliver to the Lessor a certificate of acceptance ("Certificate of Acceptance") in the form attached hereto as Appendix D stating that such Unit has been inspected and accepted on behalf of the Lessee and the Lessor on the date of such Certificate of Acceptance and is marked in accordance with § 5.1 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

SECTION 3. RENTALS

3.1. Amount and Date of Payment. (1) As rental ("Basic Rent") for each Unit subject to this Lease, the Lessee agrees to pay to the Lessor 10 consecutive semiannual Basic Rent payments payable, in arrears, on April 1 and October 1 in each year, commencing April 1, 1988, to and including October 1, 1992, and 10 consecutive semiannual Basic Rent payments payable, in advance, on October 1 and April 1 in each year commencing October 1, 1992, to and including April 1, 1997 (each a "Basic Rent Payment Date"). The 20 semiannual Basic Rent payments shall be in the respective percentages shown in Appendix B hereto of the Purchase Price (as defined in the Purchase Agreement) of such Unit. Any amount other than Basic Rent required to be paid by the Lessee pursuant to any of the Operative Agreements (as defined in Section 6(a)) is hereinafter referred to as "Supplemental Rent".

(2) The Basic Rents and the related Casualty Values and Termination Values shown in Appendix C hereto have been calculated on the assumptions that (i) the amount of the Transaction Expenses payable by the Owner pursuant to Paragraph 9 of the Participation Agreement dated as of June 1, 1987, among the Lessee, the Lessor, the Owner and

CSX Corporation ("Participation Agreement") will be 1.0% of the aggregate Purchase Price of the Units, (ii) no change in the federal income tax laws as they affect this transaction with respect to a Unit will be enacted and be effective after the date hereof and before the date of the delivery of such Unit hereunder, (iii) the Owner's investment in the Units will be 40% of the aggregate Purchase Price of the Units, (iv) the Debt will be 60% of the aggregate Purchase Price of the Units, (v) the interest rate on the Debt will be 9.5%, (vi) the debt will be funded by July 25, 1987, and (vii) the Units will be funded on the dates and in the numbers and with the purchase prices shown below:

<u>Date of Funding</u>	<u>Number of Units</u>	<u>Purchase Prices</u>
6/30/87	50	\$ 2,192,843.00
7/28/87	60	2,631,411.60
8/25/87	60	2,631,411.60
9/29/87	80	<u>3,508,548.80</u>
		\$10,964,215.00

If for any reason these assumptions prove to be incorrect, the Basic Rents and the related Casualty Values and Termination Values payable by the Lessee hereunder in respect of the Units shall be increased or decreased, as the case may be, by such amount as shall, in the reasonable opinion of the Owner, cause the Owner's net after-tax economic and accounting yields and total cash flows computed on the basis of such assumptions and the same calculation methods and method of accounting as were utilized by the Owner in entering into this transaction (such yields and cash flow being hereinafter called "Net Economic Return"), to be approximately equal to but not less than the Net Economic Return that would have been realized by the Owner if such assumptions had proved to be correct. The Lessor shall provide a schedule of such Basic Rents and Casualty Values and Termination Values to the Lessee and the Agent promptly after the facts have been determined and the calculations have been made; and, if requested by the Lessee, the Lessor will furnish to the Lessee, at the expense of the Lessee, a certificate of Salomon Brothers Inc, to the effect that such schedule has been accurately prepared in accordance with the terms hereof. Basic Rent, Casualty Values and Terminations Values have also been calculated on the assumption that each Unit may be treated as "7-year property" under Section 168(e)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). The Lessee may, at its option and expense, request that the Internal Revenue Service ("IRS")

issue a ruling to the Lessee, the Lessor and the Owner that each Unit is "5-year property" within the meaning of Section 168(e)(1) of the Code. If the Lessee decides to request such a ruling the Lessor and the Owner will use their best reasonable efforts to cooperate with the Lessee, at Lessee's expense, in its attempt to obtain such a ruling.

If such a ruling is issued by the IRS, Basic Rent will be reduced to take into account the treatment of each Unit as "5-year property", instead of "7-year property". Such reduction will pass through to the Lessee the full economic benefit of the Unit being treated as "5-year property" in lieu of "7-year property" provided that, and to the extent that, such pass through can be effected while preserving Lessor's Net Economic Return. Such recomputation of Basic Rent will be based upon the same assumptions (other than the change to "5-year property" and any assumption listed in clauses (i) through (vii) of the first paragraph of this Section 3.1(2) that have proven to be incorrect) as were used in originally computing Basic Rent. Casualty Values and Termination Values will be appropriately adjusted to reflect such adjustment to Basic Rent.

(3) In the event that any dispute should arise as to the calculation of the Basic Rents under § 3.1(2) or the related Casualty Values and Termination Values, the Lessee agrees, pending resolution of such dispute, to pay on account of the Basic Rent or such Casualty Values and Termination Values, on the dates due hereunder, amounts at least equal to the principal and/or interest payable on the Notes on each such date, but no such payment shall, as between the Lessor and the Lessee, prejudice the right of the Lessor to receive from the Lessee any amount in addition thereto, due and payable hereunder.

(4) Anything in the foregoing provisions of this § 3.1 to the contrary notwithstanding, the Basic Rents, Casualty Values and Termination Values hereunder shall not be less than amounts which are sufficient to satisfy the obligations of the Trustee under the Notes, the Security Agreement and related agreements, notwithstanding any limitation of liability contained therein.

3.2. Payments on Nonbusiness Days. If any Basic Rent Payment Date referred to in § 3.1 or Casualty Payment Date referred to in § 7.1 or Termination Date referred to in § 16.1 is not a business day, the payment otherwise payable on such date shall be payable on the next business day, and no interest shall be payable thereon for the period from and

after the scheduled date for payment thereof to such next business day. The term "business day" as used herein means a calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in New York, New York, Hartford or Stamford, Connecticut, or Baltimore, Maryland, are authorized or obligated to remain closed.

3.3. Payment in Immediately Available Funds. The Lessee agrees to make each payment provided for herein as contemplated by § 3.1 in immediately available funds at or prior to 11:00 a.m. in the city where such payment is to be made.

SECTION 4. TERM OF LEASE

4.1. Beginning and Termination; Survival. The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit under the Purchase Agreement and, subject to the provisions of §§ 7, 13 and 16 hereof, shall terminate on September 30, 1997 ("Basic Term"). The obligations of the Lessee hereunder (including, but not limited to, the obligations under §§ 6, 7, 10, 11, 12, 14 and 17 hereof) shall survive the expiration of the term of this Lease.

4.2. Rights and Obligations of Lessee Subject to Security Agreement. Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Agent under the Security Agreement. If an event of default should occur under the Security Agreement, the Agent may terminate this Lease without affecting the indemnities which by the provisions of this Lease survive the termination of its term (or rescind its termination), all as provided therein; provided, however, that so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Lessee Consent, and (iii) the Agent is entitled to apply the Payments as defined in the Security Agreement in accordance therewith, this Lease may not be terminated and the Lessee shall be entitled to the rights of possession, use and assignment provided under § 15 hereof.

SECTION 5. IDENTIFICATION MARKS

5.1. Identifying Numbers; Legend; Changes. The Lessee will cause each Unit to be kept numbered with the

identifying number set forth in Appendix A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNED BY A BANK OR TRUST COMPANY AND SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's and Agent's title to and property in such Unit and the rights of the Lessor under this Lease and of the rights of the Agent under the Security Agreement. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, obliterated, defaced or destroyed. The Lessee will not change the identifying number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Agent and the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease and the Security Agreement shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Agent and the Lessor an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Agent's and the Lessor's interests in such Units and no filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Agent and the Lessor in such Units.

5.2. Insignia of Lessee. The Units may be lettered with the names or initials or other insignia customarily used by the Lessee, but the Lessee will not allow the name of any other person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership or a security interest therein.

SECTION 6. GENERAL TAX INDEMNITY

(a) General Taxes. The Lessee agrees to assume liability for and indemnify the Owner, each holder of Notes,

the Agent and the Trustee (both in their individual capacity and as trustees), the Trust Estate, the collateral held under the Security Agreement ("Collateral") and the respective successors, assigns, officers, directors, servants, agents, affiliates of any thereof ("Indemnified Person") against any and all liabilities, losses, expenses and costs of any kind whatsoever that are in the nature of taxes, fees (including, without limitation, documentation, license and registration fees), imposts, assessments, duties, withholding, fines or other charges, including interest, penalties and additions thereto (other than any interest, penalties or additions to tax to the extent resulting from the failure of an Indemnified Person to file any return properly and timely unless such failure shall be caused by the failure of the Lessee to fulfill its obligations, if any, under § 6(c) with respect to such return) (any of the foregoing being referred to herein as a "Tax"), imposed by any Federal, state or local taxing authority within the United States or by any taxing authority or governmental subdivision of a foreign country or international authority or of a territory or possession of the United States on or with respect to (i) this Agreement or any of the Participation Agreement, the Purchase Agreement, the Security Agreement and any related documents entered into in connection with the location of the Debt (collectively "Operative Agreements") or any future amendment, supplement, waiver or consent requested by the Lessee with respect thereto, or the execution, delivery or performance of any thereof or the issuance, acquisition or subsequent transfer thereof; (ii) the Units or any interest therein; (iii) the manufacture, financing, construction, purchase, transfer of title, acceptance, possession, rejection, ownership, delivery, nondelivery, use, storage, importation, location, operation, leasing, subleasing, condition, maintenance, repair, sale, return, abandonment, redelivery or other disposition of the Units; (iv) the rentals, receipts or earnings arising from the Units or interest, principal and other amounts paid or payable with respect to the Notes; or (v) any payment made pursuant to any of the Operative Agreements or any documents related thereto or the property or the income or other proceeds with respect to any of the property held in the Trust Estate (as defined in the Trust Agreement) or the Collateral; excluding, however:

(A) Taxes imposed by the United States Federal government pursuant to Subtitle A of the Code or any successor provision (including any minimum Taxes, withholding Taxes and any Taxes on or measured by any items of tax preference);

(B) Any income taxes or other similar taxes measured by net income or net earnings imposed by any state or local taxing jurisdiction within the United States (including any minimum Taxes, withholding Taxes and any Taxes on or measured by any items of tax preference);

(C) franchise Taxes, Taxes on doing business (including those based on gross receipts) and Taxes on capital or net worth (in each case, other than Taxes in the nature of sales, use or rental Taxes) imposed by any state or local taxing jurisdiction in the United States;

(D) Any Taxes that are imposed by the express terms of the statute enacting such Taxes (or by a specific statement of legislative intent in connection with the passage of such statute) in lieu of, or in lieu of an increase in, Taxes described in clauses (A), (B) or (C) above;

(E) Taxes imposed on or with respect to an Indemnified Person resulting from, or that would not have occurred but for, (x) any voluntary transfer by such Indemnified Person or a related Indemnified Person with respect thereto of any interest in the Units or any part thereof or any interest arising under the Operative Agreements or any Note (other than a transfer while an Event of Default shall have occurred and be continuing), (y) any transfer of any interest in such Indemnified Person or a related Indemnified Person with respect thereto or (z) any involuntary transfer of any of the foregoing interests in connection with any bankruptcy or other proceeding for the relief of debtors in which such Indemnified Person or a related Indemnified Person with respect thereto is the debtor or any foreclosure by a creditor of such Indemnified Person or a related Indemnified Person with respect thereto other than a bankruptcy (or other proceeding) of, or a foreclosure on, the Trust Estate caused by an Event of Default (a person shall be considered a "related" Indemnified Person with respect to an Indemnified Person for purposes of this § 6 if such person is an affiliate, successor, assignee, officer, director, servant, agent, predecessor, assignor, employer or principal thereof, or a person of which such person is a director; in addition, the Trustee shall be considered a "related" Indemnified Person with respect to the Owner, the Trust Estate and any related Indemnified

Person with respect to either of the foregoing; the Owner and any related Indemnified Person with respect thereto shall be considered "related" Indemnified Persons with respect to the Trust Estate, the Trustee and any related Indemnified Person with respect to either of the foregoing; the Trust Estate shall be considered a "related" Indemnified Person with respect to the Trustee, the Owner and any related Indemnified Person with respect to either of the foregoing; the Agent and the Collateral shall be considered "related" Indemnified Persons with respect to each other, any other holder of a Note and any related Indemnified Person with respect to any of the foregoing; and any other holder of a Note and any related Indemnified Person with respect to any of the foregoing shall be considered to be "related" Indemnified Persons with respect to the Agent, the Collateral, any holder of a Note and any related Indemnified Person with respect to any of the foregoing);

(F) any Tax based on, or measured by, the value of the interest of any Lender or any holder of a Note in the Collateral or any Note imposed by any taxing authority in which such holder of a Note is subject to taxation as the result of transactions unrelated to the transactions contemplated by the Operative Agreements ("Overall Transaction");

(G) any Tax imposed on the Trustee or the Agent with respect to, or measured by, any trustee fees for services rendered in its capacity as trustee under the Trust Agreement or the Indenture;

(H) any Tax attributable to the Units that is imposed with respect to any period after the earliest of (x) the expiration of the Lease Term with respect to the Units (except in the case of a termination of the Lease due to an Event of Default), (y) the discharge in full of the Lessee's obligations to pay the Casualty Value or the Termination Value and all other amounts due under § 7 or 16 of this Lease with respect to the Unit; and (z) return of possession of the Units to the Lessor;

(I) in the case of any Lender, any Tax imposed by any taxing authority or governmental subdivision of a foreign country or international authority or of a territory or possession of the United States unless such Tax results exclusively from the location or

registration of the Units in the jurisdiction imposing such Tax;

(J) any Taxes resulting from, or that would not have been imposed but for (i) in the case of Taxes imposed on or with respect to the Trustee, the Trust Estate, the Owner or any related Indemnified Person with respect to any of the foregoing, the existence of any Lessor Liens or, in the case of Taxes imposed on or with respect to the Agent, the Collateral, any Lender, any holder of a Note and any related Indemnified Person with respect to any of the foregoing, the existence of any lien, mortgage, encumbrance, pledge, charge, lease, easement, servitude, right of others or security interest of any kind ("Lien") of the Lenders or (ii) any act or omission of the Indemnified Person or any related Indemnified Person with respect thereto that is in violation of any of the terms of the Operative Agreements or the inaccuracy of any representation, warranty or covenant by the Indemnified Person or any related Indemnified Person with respect thereto; and

(K) any Taxes imposed by reason of the existence of the Trustee or the Trust Estate.

The Lessee's indemnity obligation to an Indemnified Person under this § 6(a) shall include any amount necessary to hold such Indemnified Person harmless, after taking into account any tax benefits realized by such Indemnified Person, from the net amount of all Taxes actually required to be paid by such Indemnified Person by reason of the receipt or accrual of such indemnity; provided, however, that such Indemnified Person shall provide such certifications, information and documentation as shall be reasonably requested by the Lessee to minimize any payment pursuant to this paragraph.

(b) Contests. If any written claim shall be made against any Indemnified Person or if any proceeding shall be commenced in writing against any Indemnified Person (including a written notice of such proceeding) for any Taxes as to which the Lessee shall have an indemnity obligation pursuant to § 6(a) or if any Indemnified Person shall determine that any Tax as to which the Lessee shall have an indemnity obligation pursuant to § 6(a) may be payable, such Indemnified Person shall promptly (but in no event later than 30 days after such written claim is made, such proceeding is commenced or such determination is made, as the case may be) notify the Lessee in writing. If requested by the Lessee in

writing within 30 days after its receipt of such notice, such Indemnified Person shall at the expense of the Lessee (including, without limitation, all costs, expenses and reasonable attorneys' and accountants' fees and disbursements) in good faith contest (including, without limitation, by pursuit of appeals), and shall not settle without the Lessee's consent, the validity, applicability or amount of such Taxes by, in such Indemnified Person's sole discretion, (i) resisting payment thereof, if possible, (ii) not paying the same except under protest, if protest shall be necessary and proper or (iii) if payment shall be made, using reasonable efforts to obtain a refund thereof in appropriate administrative and judicial proceedings; provided, however, that in no event shall such Indemnified Person be required to contest the imposition of any Tax for which the Lessee is obligated pursuant to this § 6 unless (x) the Lessee shall have agreed to pay such Indemnified Person on demand for all reasonable costs and expenses that such Indemnified Person shall incur in connection with contesting such claim (including, without limitation, all costs, expenses, reasonable legal and accounting fees and disbursements) and, the Lessee, at its expense, shall have furnished such Indemnified Person with an opinion of independent tax counsel selected by the Lessee and reasonably satisfactory to the Indemnified Person (whose consent shall not be unreasonably withheld or delayed) that there exists a good faith and reasonable basis for such Indemnified Person to contest the imposition of such Tax; (y) such Indemnified Person shall have reasonably determined that the action to be taken will not result in any material danger of sale, forfeiture or loss of, or the creation of any (except if the Lessee shall have adequately bonded such Lien or otherwise made provision to protect the interests of such Indemnified Person in a manner reasonably satisfactory to such Indemnified Person) on the Units or any interest therein; and (z) if such contest shall involve payment of the claim, the Lessee shall advance the amount thereof plus (to the extent indemnified under § 6(a)) interest, penalties and additions to tax with respect thereto to such Indemnified Person on an interest-free basis and with no additional net after-tax cost to such Indemnified Person. The Indemnified Person shall control the conduct (including the choice of forum) of any contest, provided that (i) the Lessee may, at its expense, in the name of the Lessee or an Indemnified Person, contest and control the contest of, including by way of suit for refund, any Taxes as to which the Lessee would have an indemnity obligation pursuant to § 6(a), if such contest can be conducted independently of any proceeding involving a tax liability of such Indemnified Person that is not indemnified

by the Lessee and without otherwise adversely affecting the tax position of the Indemnified Person, in which case such Indemnified Person shall not settle such contest without the Lessee's consent and shall cooperate with the Lessee in pursuing such contest, (ii) the Indemnified Person or its counsel shall consult with the Lessee and its counsel with respect to the conduct of any other contest and shall permit the Lessee and its counsel to participate in the conduct of any contest and (iii) no compromise or other settlement of any contest shall be effected without the Lessee's consent (which shall not be unreasonably withheld).

Notwithstanding anything contained in this § 6(b), an Indemnified Person will not be required to contest the imposition of any Tax if such Indemnified Person (A) shall waive its right to indemnity under this § 6 with respect to such Tax (and any claim made by any taxing authority with respect to other taxable periods that is based, in whole or in part, upon the resolution of such claim) and (B) shall pay to the Lessee any amount previously advanced by the Lessee pursuant to this § 6 with respect to such Tax or the contest of such Tax; provided, however, that the foregoing provisions of this sentence shall not limit the Lessee's right to contest any Taxes in accordance with clause (i) of the proviso to the last sentence of the preceding paragraph.

If any Indemnified Person shall receive a refund of, or receive a credit for all or any part of any Taxes paid, reimbursed or advanced by the Lessee, such Indemnified Person shall pay to the Lessee within 10 days of such receipt an amount equal to the amount of such refund or credit plus any net tax benefit (as determined by such Indemnified Person in its sole discretion, it being understood that nothing in this sentence shall confer on the Lessee any right to examine any tax returns or other documents of such Indemnified Person, taking into account any Taxes incurred by such Indemnified Person by reason of the receipt of such refund or credit) realized by such Indemnified Person as a result of any payment by such Indemnified Person made pursuant to this sentence (including this clause); provided, however, that such Indemnified Person shall not be obligated to make any payment to the Lessee pursuant to this sentence while an Event of Default (or an event which with the giving of notice or the lapse of time or both would become an Event of Default) shall have occurred and be continuing or prior to such time as the Lessee shall have paid in full all amounts theretofore due and payable to such Indemnified Person under this Section 6. If, in addition to such refund or credit, as the case may be, such

Indemnified Person shall receive an amount representing interest on the amount of such refund or credit as the case may be, such Indemnified Person shall also pay to the Lessee that proportion of such interest that shall be fairly attributable to Taxes paid, reimbursed or advanced by the Lessee prior to the receipt of such refund or credit.

If an Indemnified Person shall realize, as determined by such Indemnified Person in its sole discretion against any Tax not indemnified by the Lessee pursuant to this § 6, any tax saving or credit from any amount with respect to which the Lessee has indemnified such Indemnified Person pursuant to this § 6, such Indemnified Person shall pay to the Lessee within 10 days after such Indemnified Person shall have realized such tax saving or credit the amount of such saving or credit, together with the amount of any tax saving resulting from any payment pursuant to this sentence; provided, however, that such Indemnified Person shall not be obligated to make any payment to the Lessee pursuant to this sentence while an Event of Default (or an event which with the giving of notice or the lapse of time or both would become an Event of Default) shall have occurred and be continuing or prior to such time as the Lessee shall have paid in full all amounts theretofore due and payable to such Indemnified Person under this Section 6; and, provided further, that (i) the aggregate amount payable by such Indemnified Person to the Lessee pursuant to this sentence shall not exceed the amount of all prior payments by the Lessee pursuant to this § 6 to such Indemnified Person and (ii) nothing in this sentence shall confer on the Lessee any right to examine any tax returns or other documents of such Indemnified Person.

Any amount payable to an Indemnified Person pursuant to this § 6 shall be paid within 10 days after receipt of a written demand therefor from such Indemnified Person accompanied by a written statement describing in reasonable detail the amount so payable but not before the date such Tax is due. Any payments made pursuant to this § 6 shall be made directly to the Indemnified Person entitled thereto or the Lessee, as the case may be, in immediately payable funds at such bank or to such account as specified by the payee in written directions to the payor, or, if no such direction shall have been given, by check of the payor payable to the order of the payee and mailed to the payee by certified mail, postage prepaid at its address as set forth in this Agreement. Any amount payable under this § 6 that is not paid when due shall bear interest at the Penalty Rate (as defined in § 20 hereof).

Notwithstanding anything to the contrary provided in this Section 6, the Lessee shall not be required to make any indemnity payment to an Indemnified Person hereunder with respect to any Tax that is being contested in accordance with the provisions of this § 6(b) during the pendency of such contest. If any Tax is payable by withholding, the Lessee shall, as provided in clause (ii) of the second sentence of the first paragraph of this § 6(b), advance the amount thereof plus (to the extent indemnified under § 6(a) interest, penalties and additions to tax with respect thereto) to such Indemnified Person on an interest-free basis and with no additional net after-tax cost to such Indemnified Person.

(c) Reports. If any report, return or statement is required to be filed with respect to any Tax that is subject to indemnification under this § 6, the Lessee shall promptly notify the appropriate Indemnified Person of such requirement and, if permitted by applicable laws to do so, the Lessee shall timely file such report, return or statement with respect to such Tax, except for any such report, return or statement (other than any report, return or statement concerning any property tax) that an Indemnified Person has notified the Lessee that such Indemnified Person intends to file; provided, however, that such Indemnified Person shall have furnished the Lessee, at the Lessee's request and expense, with such information, not within the control of the Lessee, as is in such Indemnified Person's control and is reasonably available to such Indemnified Person and necessary to file such report, return or statement; provided further, however, that if the Lessee is not permitted by applicable laws to file any such report, return or statement, the Lessee will promptly notify the appropriate Indemnified Person that it is not so permitted. The Lessee shall either show the ownership of the Units in the Trustee and send a copy of such report, return or statement to the Trustee and the appropriate Indemnified Person or, where not permitted to so show such ownership, shall promptly notify the Owner of such requirement and prepare and deliver to the Trustee and the appropriate Indemnified Person for approval by the Trustee and the appropriated Indemnified Person a proposed form of such report, return or statement within a reasonable time prior to the time such report, return or statement is to be filed.

(d) Verification. At the Lessee's request, the amount of any indemnity payment by the Lessee pursuant to this § 6 or any payment by an Indemnified Person to the Lessee pursuant to this § 6 shall be verified and certified

by an independent public accounting firm selected by the Lessee. The fee of such independent public accounting firm shall be paid by the Lessee.

SECTION 7. PAYMENT FOR CASUALTY OCCURRENCES; INSURANCE

7.1. Definitions of Casualty Occurrence; Payments. In the event that any Unit shall be or become lost or stolen for a period of 60 days or more, destroyed or damaged beyond economic repair (i.e. the total cost of repair equals or exceeds the Casualty Value thereof) from any cause whatsoever during the term of this Lease, whether during the Basic Term, or any renewal term hereof or any combination thereof or until such Unit is returned pursuant to § 14 or § 17 hereof, or any Unit shall be taken or requisitioned by condemnation or otherwise by the United States Government for a period (either stated or as reasonably believed by the Lessee) which shall exceed the then remaining term of this Lease or by any other governmental entity resulting in loss of possession by the Lessee for a period of 90 consecutive days during the term of this Lease, whether during the Basic Term, or any renewal term hereof or any combination thereof ("Casualty Occurrence"), the Lessee shall promptly and fully notify the Lessor and the Agent with respect thereto. On the next Basic Rent Payment Date occurring at least 10 days after such Casualty Occurrence occurs (each such date being hereinafter called a "Casualty Payment Date"), the Lessee shall pay to the Lessor a sum equal to the Casualty Value (as hereinafter defined) of any such Unit as of such Casualty Payment Date plus an amount equal to the Basic Rent in respect of such Unit then due or accrued (whether or not designated as rent in arrears or rent in advance) to such Casualty Payment Date; provided, however, that in the event of a Casualty Occurrence during the period any Unit is required to be returned pursuant to § 14 or § 17 hereof or within the period of 10 days prior to the date such return is required, the Lessee shall make such payment of the Casualty Value (calculated as of the next succeeding Basic Rent Payment Date) plus any Basic Rent in respect of such Unit due on or accrued to the date such payment is made, and any earnings or rentals accrued pursuant to § 14 or § 17 hereof, to the Lessor on a date 30 days after such Casualty Occurrence. Upon the making of such payment by the Lessee in respect of any Unit, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Lessor shall be entitled to recover possession of such Unit. The Lessor hereby appoints the Lessee its agent

to dispose of any Unit suffering a Casualty Occurrence or any component thereof, at the best price obtainable on an "as is, where is" basis, and the Lessee may be a purchaser of such Unit (unless such Unit is declared worn out by the Lessee) and shall notify the Lessor prior to any such purchase by the Lessee. Provided that the Lessee has previously paid the Casualty Value to the Lessor and provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Lessor. The Lessee shall pay all costs and expenses in connection with the sale of any Unit involved in a Casualty Occurrence.

In addition to the occurrences constituting a Casualty Occurrence under the preceding paragraph, if any Unit shall have been taken or requisitioned by the United States Government or any other governmental entity (collectively "Government") and such taking or requisition shall not theretofore constitute a Casualty Occurrence as aforesaid, such taking or requisition shall be deemed a Casualty Occurrence if the same shall be continuing at the end of the original or any renewal term of this Lease, in which event the Lessee shall promptly and fully notify the Lessor with respect thereto and pay the Lessor an amount equal to the Casualty Value of such Unit as of the end of such term, together with any rent then due. Following such payment, so long as no Event of Default or event which, with notice or the passage of time or both, would become an Event of Default (a "Default") shall have occurred and be continuing, the Lessee shall be entitled to receive condemnation payments in respect of such Unit up to an amount equal to such Casualty Value and such rent and any balance of such payments shall be the property of the Lessor. In the event such Unit shall be returned by a Government prior to the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, then so long as no Event of Default shall have occurred and be continuing, the Lessee shall dispose of such Unit as agent for the Lessor and shall retain the proceeds of such disposition to the extent that the aggregate of the amounts so retained and the condemnation payments theretofore received by the Lessee shall equal such Casualty Value and the balance of such proceeds shall be promptly paid to the Lessor. In the event such Unit shall be returned by a Government following the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, such Unit shall be returned by the Lessee to the Lessor in the manner provided in § 17 hereof.

7.2. Requisition by the United States Government.

In the event of the requisition (other than a requisition which constitutes a Casualty Occurrence pursuant to § 7.1 hereof) for use by the United States Government of any Unit during the term of this Lease, all of the Lessee's obligations (including without limitation the obligation to pay rent) under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred, except that if such Unit is returned by the United States Government at any time after the end of the term of this Lease, the Lessee shall be obligated to return such Unit to the Lessor pursuant to § 14 or 17 hereof, as the case may be, promptly upon such return by the Government rather than at the end of the term of this Lease, but the Lessee shall in all respects comply with the provisions of said § 14 or 17, as the case may be, with respect to such Unit except, however, if such Unit shall be destroyed or irreparably damaged, or in the opinion of the Lessee worn out as a result of any requisition that continues to the end of the Basic Term, the Lessee shall have the right to declare a Casualty Occurrence. All payments received by the Lessor or the Lessee from the United States Government for the use of such Unit during the term of this Lease shall be paid over to, or retained by, the Lessee, provided no Default or Event of Default shall have occurred and be continuing; and all payments received by the Lessor or the Lessee from the United States Government for the use of such Unit after the term of this Lease or any renewal term thereof shall be paid over to, or retained by, the Lessor.

7.3. Payments After Expiration of Lease. If the date upon which the making of the payment by the Lessee in § 7.1 hereof in respect of any Unit is required as aforesaid shall be after the term of this Lease or any renewal term thereof in respect of such Unit has expired, no rental for such Unit shall accrue after the end of such term, except for any earnings or rentals accrued pursuant to § 14 or § 17 hereof.

7.4. Amount of Casualty Value. The Casualty Value of each Unit as of the Casualty Payment Date on which payment is made shall be an amount equal to that percentage of the Purchase Price of such Unit as is set forth in Appendix C hereto opposite such Casualty Payment Date.

7.5. No Release. Except as hereinabove in this § 7 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

7.6. Insurance To Be Maintained. (1) The Lessee will, at its own expense, at all times prior to the return of the Units to the Lessor, cause to be carried and maintained (i) property insurance in respect of the Units at the time subject hereto and (ii) public liability insurance with respect to third-party bodily injury and property damage and in such amounts and for such risks and with such insurance companies and subject to such self-insurance as is consistent with railroad industry practice but in any event at least, not less comprehensive in amounts and against risks customarily insured against by the Guarantor or its railroad subsidiaries in respect of railroad rolling stock or RoadRailer type vans owned or leased by the Guarantor or such subsidiaries, in each case reasonably satisfactory to the Lessor. As of the date hereof, the Lessee maintains property insurance in respect of equipment (including the Units) in the amount of \$70 million after a deductible of \$5 million and public liability insurance in respect of third party bodily injury and property damage in an approximate amount of \$50 million after a retention of \$50 million. The proceeds of any property insurance shall be payable to the Lessor, the Owner, the Agent and the Lessee, as their interests may appear, so long as the indebtedness, if any, evidenced by the Notes shall not have been paid in full, and thereafter to the Lessor and the Lessee as their interests may appear. Any policies of insurance carried in accordance with this paragraph shall (x) require 30 days' prior notice of cancelation or material change in coverage to the Lessor, the Owner and the Agent and (y) name the Lessor, the Owner and the Agent as additional named insureds and loss payees as their respective interests may appear and in the event such policies shall contain breach of warranty provisions such policies shall provide that in respect of the interests of the Lessor, the Owner and the Agent in such policies the insurance shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Lessor and the Agent, respectively) and shall insure the Lessor, the Owner and the Agent regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Lessor or the Agent, respectively). Immediately upon receipt by the Lessee of renewal policies, the Lessee shall deliver to the Lessor, the Owner and the Agent certificates thereof issued by the insurers thereunder for the insurance maintained pursuant to this § 7. The Lessee shall, not later than July 1 of each year, commencing on or before the first anniversary of the First Delivery Date (as defined in the Participation Agreement), furnish to the Lessor, the Owner and the Agent (i) a certificate of each insurer that maintains insurance required under this § 7 evidencing the maintenance of such insurance and (ii) a certificate signed by the President, any Vice President, the Treasurer or any

Assistant Treasurer of the Lessee or any other person designated in writing by any such officer to the effect that the Lessee is in compliance with this § 7. The Lessee shall, at its own expense, make all proofs of loss and take all other steps necessary to collect the proceeds of such insurance. If for any Unit such public liability insurance required to be maintained by the Lessee during any part of the Basic Term, the Fixed Rate Renewal Term or any extended term for such Unit is written on a "claims made" basis, the Lessee shall continue to provide, at the Lessee's expense, at least until the third anniversary of the ultimate expiration or termination of this Lease with respect to such Unit, public liability insurance with substantially the same scope, amount and other terms (including without limitation naming the same parties as additional insureds) as that required hereunder during the period prior to such expiration or termination, in order to protect such parties against claims, if any, in respect of such prior period made subsequent to such prior period.

(2) In the event that the Lessee shall fail to maintain insurance as herein provided, the Lessor may at its option, upon five business days prior written notice to the Lessee, provide such insurance and, in such event, the Lessee shall, upon demand from time to time, reimburse the Lessor for the cost thereof together with interest from the date of payment thereof, on the amount of the cost to the Lessor of such insurance which the Lessee shall have failed to maintain, at the rate per annum specified in § 19 hereof.

(3) The Lessor may at its own expense carry insurance with respect to its interest in the Units, provided that such insurance does not prevent the Lessee from carrying insurance required by this § 7.6 or adversely affect such insurance or the cost thereof. Any insurance payments received from policies maintained by the Lessor shall be retained by the Lessor without reducing or otherwise affecting the Lessee's obligations hereunder.

7.7. Insurance Proceeds and Condemnation Payments. If the Lessor or Lessee shall receive (directly or from the Agent) any insurance proceeds under insurance required to be maintained by the Lessee hereunder or condemnation payments in respect of such Units suffering a Casualty Occurrence, the Lessor shall use such proceeds or condemnation payments to reimburse the Lessee for its payment of Casualty Value to the Lessor (to the extent the Lessee shall have already paid such Casualty Value), and the balance, if any, of such proceeds or condemnation payments

shall be paid over to, or retained by, if it is from insurance carried by the Lessee, the Lessee or, if it is from any other source (other than insurance maintained by the Lessor), the Lessor and the Lessee as their respective interests may appear; provided, however, that no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing and the Lessee shall have made payment of the Casualty Value thereof, and accrued rentals in respect of such Units, to the Lessor. All insurance proceeds received by the Lessor (directly or from the Agent) under insurance required to be maintained by the Lessee hereunder in respect of any Unit not suffering a Casualty Occurrence shall be paid to the Lessee upon proof satisfactory to the Lessor that any damage to such Unit in respect of which such proceeds were paid has been fully repaired provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

SECTION 8. REPORTS

On or before April 30 in each year, commencing with the calendar year 1988, the Lessee will furnish to the Lessor, the Owner and the Agent a certificate signed by an officer of Lessee containing an accurate statement (a) setting forth as at the preceding December 31 the total number, description and road numbers of all Units then leased hereunder and covered by the Purchase Agreement, the total number, description and identification numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or determination whether a Casualty Occurrence has occurred or then withdrawn from use pending repair (other than running repairs) or determination whether a Casualty Occurrence has occurred and setting forth such other information regarding the condition and state of repair of the Units as the Lessor or the Agent may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and markings required by § 5.1 hereof have been preserved or replaced. The Lessor, the Agent and the Owner shall each have the right (but not any obligation) by its agents to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor, the Agent or the Owner may request during the continuance of this Lease.

The Lessee shall promptly notify the Lessor, the Owner and the Agent of any occurrence of a Default or an Event of Default, specifying such Default or Event of Default and the nature and status thereof.

SECTION 9. DISCLAIMER OF WARRANTIES

NEITHER THE LESSOR, IN ITS INDIVIDUAL CAPACITY OR AS TRUSTEE, NOR THE OWNER MAKES, HAS MADE AND SHALL BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, OR THE VALUE OF, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND NONE OF THEM MAKES ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK, OR COPYRIGHT, AS TO THE ABSENCE OF ANY OBLIGATION BASED ON STRICT LIABILITY IN TORT OR OTHERWISE, NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Lessor and the Owner, on the one hand and the Lessee, are to be borne by the Lessee. Neither the Lessor nor the Owner shall have any responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, sub-leasing, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor or the Agent based on any of the foregoing matters; provided, however, that nothing herein shall in any way bar, reduce or defeat any claim that the Lessee may have against the Builder; provided further, that the Lessor hereby represents and warrants to the Lessee that upon delivery to it of any Unit the Lessor shall have received whatever title was conveyed to it by the

Builder and that on the Closing Date (as defined in the Purchase Agreement) the Units being settled for shall be free of any and all liens, charges, security interests or encumbrances resulting from claims against the Lessor not related to the ownership of the Units or the administration of the Trust Estate (as defined in the Trust Agreement) or any other transaction contemplated by the Trust Documents (as defined in the Trust Agreement). The Lessor hereby assigns to the Lessee during the term of this Lease and so long as no Default or Event of Default shall have occurred and be continuing all of the rights of the Lessor under the warranties of the Builder in the Purchase Agreement.

SECTION 10. LAWS AND RULES

10.1. Compliance. The Lessee agrees, for the benefit of the Lessor and the Agent, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the applicable rules of the Federal Railroad Administration and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units or the Lessee, to the extent that such laws and rules affect the title, operation or use of the Units or are necessary to comply with health, safety or environmental standards, and in the event that such laws or rules require any alteration, replacement or addition of or to any part of any Unit, the Lessee will comply therewith at its own expense; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any such law or rule in any reasonable manner if (i) in the reasonable opinion of the Lessor and the Agent, such contest will not adversely affect the property or rights of the Lessor or the Agent under this Lease or under the Security Agreement and (ii) the Lessee provides a bond or other security reasonably satisfactory to the Lessor and the Agent.

10.2. Reports by Lessor. The Lessee will prepare and deliver to the Lessor and the Agent within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor and the Agent) any and all reports (other than Reports referred to in § 6(e) and returns or reports that relate to Federal, state and local income tax matters) to be filed by the Lessor with any

Federal, state or other regulatory authority by reason of the ownership by the Lessor or the Agent of the Units or the leasing thereof to the Lessee.

SECTION 11. MAINTENANCE

11.1. Units in Good Operating Order. The Lessee, at its own expense, will maintain, service and repair, or cause to be maintained, serviced or repaired, each Unit leased to it hereunder (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) in accordance with the higher of the following standards of maintenance, service and repair (including without limitation the frequency of scheduled service) in effect at any time with respect to railroad rolling stock or trailer vans: (i) prudent industry standards and practices for Class I line-haul railroads; (ii) the standards of the Lessee or any of the Lessee's railroad affiliates and (iii) if and when the Units are being primarily maintained by the Builder, the Builder's recommended standards, which maintenance, service and repair will, in any event, include testing, repair and overhaul so that each Unit and accession will remain (a) in as good operating condition as when delivered (ordinary wear and tear excepted), (b) in compliance with any and all applicable laws and regulations, and (c) suitable for immediate purchase or lease and immediate regular use in service by a Class I line-haul railroad (not then a debtor in any insolvency, bankruptcy or reorganization proceedings).

11.2. Additions and Accessions. (1) Except as set forth in §§ 10.1 and 11.1 hereof, the Lessee, at its own cost and expense, may from time to time make such other additions, modifications and improvements to the Units during the term of this Lease as are readily removable without causing material damage to the Units and do not adversely and materially affect the value of the Units. The additions, modifications and improvements made by the Lessee under the preceding sentence shall be owned by the Lessee if removed from the Units prior to the time such Units are returned as provided in §§ 14 and 17, except to the extent such additions, modifications or improvements are made as described in § 11.2(2) hereof.

(2) Any and all parts installed on and additions and replacements made to any Unit (i) which are not readily removable without causing material damage to such Unit and were installed or were added to such Unit in contravention

of the terms contained in § 11.2(1) hereof, or (ii) the cost of which is included in the Purchase Price of such Unit, or (iii) in the course of ordinary maintenance of the Units or (iv) which are required for the operation or use of such Unit by the applicable rules of the Federal Railroad Administration or by the regulations of the Department of Transportation, the Interstate Commerce Commission or any other applicable regulatory body, shall constitute accessions to such Unit and full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the Security Agreement) shall immediately be vested in the Lessor.

11.3. Use Outside the United States. The Lessee will not use any Units or permit any Units to be used outside the United States except that the Units may be regularly used in Canada if, prior to such use, the Lessee shall have notified the Lessor and the Owner in writing and this Lease and any other appropriate documents shall have been duly deposited with the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada and provision has been made for publication of notice of such deposit in The Canada Gazette, and such deposit with the Registrar General of Canada and any other actions taken by the Lessee will protect the Lessor's ownership of the Units and rights under the Lease and no other filing, recording or deposit (or giving of notice) with any other federal, provincial or local government or agency thereof is necessary in order to protect the Lessor's ownership of the Units and rights under the Lease in Canada or any province thereof, and the Lessee shall have caused to be delivered to the Lessor an opinion of counsel to such effect, such opinion and such counsel to be reasonably satisfactory to the Lessor.

SECTION 12. INDEMNIFICATION

12.1. Indemnified Persons. The Lessee shall pay, and shall protect, indemnify and hold each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, costs, expenses, disbursements, causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever other than taxes, whether or not indemnified hereunder, which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses including without limitation reasonable attorneys' fees and expenses of any Indemnified

Person relating thereto) in any way relating to or arising, or alleged to arise, out of this Lease, the Purchase Agreement, the Participation Agreement, the Security Agreement, or the Units, including, without limitation, those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, sublease, possession, storage, use, operation, condition, sale, return or other disposition of any Unit or portion thereof, (ii) any latent and other defects whether or not discoverable by any Indemnified Person, (iii) any claim for patent, trade secrets, trademark or copyright infringement, (iv) any claims based on strict liability in tort, (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Lessor, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof, (vi) any violation of any provision of this Lease (except by the Lessor) or of any agreement, law, rule, regulation, ordinance or restriction affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof, or (vii) any claim arising out of the Agent's retention of a security interest under the Security Agreement, except to the extent such claim arises from the gross negligence or wilful misconduct of the party claiming indemnification (all of which matters hereinabove set forth in this paragraph being hereinafter called "Indemnified Matters"). The Lessee shall be obligated under this § 12.1, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same Indemnified Matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Lessee under this § 12.1 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and approved by such Indemnified Person and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation reasonable attorneys' fees and expenses) incurred by such Indemnified Person in connection with such

action, suit or proceeding. In the event the Lessee is required to make any payment under this § 12, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of any taxing jurisdiction, domestic or foreign, (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Lessee and the Lessor each agrees to give the other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this § 12 by the Lessee, and provided that no Default or Event of Default shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person (except against another Indemnified Person) in respect of the Indemnified Matter against which indemnity has been given. So long as no Default or Event of Default shall have occurred and be continuing, any payments received by such Indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to this § 12.1 shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made to such Indemnified Party. Nothing in this § 12.1 shall constitute a guarantee by the Lessee of the Debt or a guarantee of the residual value or useful life of any Unit.

12.2. Survival. The indemnities contained in this § 12 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by, any Indemnified Person. None of the indemnities in this § 12 shall be deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

SECTION 13. DEFAULT

13.1. Events of Default; Remedies. If, during the continuance of this Lease or any extension or renewal

thereof, one or more of the following events (each such event being herein sometimes called an "Event of Default") shall occur:

(A) default shall be made in payment of any amount provided for in § 3, 7 or 16 hereof or any amount due under the Indemnity Agreement, and such default shall continue for 5 days;

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or the right to possession of the Units, or any thereof;

(C) default shall be made in the observance or performance of any other of the covenants, conditions, understandings and agreements on the part of the Lessee contained herein or in the Participation Agreement and such default shall continue for 30 days after written notice from the Lessor or the Agent to the Lessee specifying the default and demanding that the same be remedied;

(D) any representation or warranty made by the Lessee or the Guarantor herein or in the Participation Agreement or in any certificate or statement furnished to the Agent, the Lessor or the Owner pursuant to or in connection with the Participation Agreement proves untrue in any material respect as of the date of issuance or making thereof;

(E) a petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Lessee or the Guarantor and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease, the Indemnity Agreement and the Participation Agreement, or all the obligations of the Guarantor under the Participation Agreement, as the case may be, shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceeding in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees,

within 60 days after such petition shall have been filed;

(F) any other proceeding shall be commenced by or against the Lessee or the Guarantor for any relief which includes, or might result in, any modification of the obligations of the Lessee or the Guarantor hereunder or under the Participation Agreement or the Indemnity Agreement, as the case may be, under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of such obligations), and, unless such proceeding shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue) all the obligations of the Lessee or the Guarantor, as the case may be, under this Lease and the Participation Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or the Guarantor as the case may be or for the property of the Lessee or the Guarantor, as the case may be, in connection with any such proceeding in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within 60 days after such proceeding shall have been commenced; or

(G) paragraph 10 of the Participation Agreement shall cease to be in full force and effect in any significant respect or the Guarantor disavows said paragraph in any significant respect;

then, in any such case, the Lessor, at its option, may:

(a) proceed by appropriate court action, either at law or in equity, to enforce performance by the Lessee or the Guarantor, as the case may be, of the applicable covenants of this Lease, the Indemnity Agreement or the Participation Agreement or to recover damages for the breach thereof including net after-tax losses of Federal income tax benefits to which the Lessor and Owner would otherwise be entitled; or

(b) so long as such Event of Default shall be continuing by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises, insofar as the Lessee may be lawfully authorized so to permit, where any of the Units may be located, without judicial process if this can be done without breach of the peace and in accordance with due process of law, and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever and to the extent permitted by law, without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of the bargain and not as a penalty whichever of the following amounts that the Lessor, in its sole discretion, shall specify: (i) a sum, with respect to each Unit, equal to (x) the excess of the present value, at the time of such termination, of the entire unpaid balance of all rentals for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit, such present value to be computed on the basis of a 6% per annum discount, compounded semi-annually from the respective dates upon which rental would have been payable hereunder had this Lease not been terminated over the then present value of the rental which the Lessor reasonably estimates to be obtainable for each Unit during such period, such present value to be computed on the basis of a 6% per annum discount, compounded semi-annually from

the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated plus (y) any damages (other than non-payment of rent) and expenses, including reasonable attorneys' fees and expenses, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease or (ii) an amount equal to the excess, if any, of the Casualty Value as of the Casualty Payment Date on or next preceding the date of termination over the amount the Lessor reasonably estimates to be the sales value of such Unit at such time; provided, however, that in the event the Lessor shall have sold any Unit in a commercially reasonable manner, the Lessor, in lieu of collecting any amounts payable by the Lessee pursuant to the preceding clause (ii) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the Casualty Payment Date on or next preceding the date of termination over the net proceeds of such sale.

The Lessee will pay all reasonable expenses, including attorneys fees and expenses, incurred by the Lessor by reason of the occurrence of any Event of Default, including enforcing its remedies under the terms of this Lease and all costs and expenses incurred in connection with the return of any Unit.

13.2. Remedies Not Exclusive; Waiver. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset and/or recoupment against the rental payments due hereunder, and agrees to make such payments regardless of any offset or claim, which may be asserted by the Lessee or on its behalf. The Lessee hereby waives any and all claims against the Lessor and the Agent

for damages of whatever nature in connection with any retaking of any Unit in any reasonable manner.

13.3. Failure To Exercise Rights Is Not Waiver. The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

13.4. Notice of Event of Default. The Lessee also agrees to furnish the Lessor, the Owner and the Agent, promptly upon any responsible officer becoming aware of any condition which constituted or constitutes a Default or an Event of Default under this Lease written notice specifying such condition and the nature and status thereof. For the purposes of this § 13.4, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

SECTION 14. RETURN OF UNITS UPON DEFAULT

14.1. Return of Units. If this Lease shall terminate pursuant to § 13 hereof or pursuant to the Security Agreement, the Lessee shall forthwith deliver possession of the Units to the Lessor. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, shall meet the standards then in effect under the applicable rules of the Federal Railroad Administration and/or the applicable rules of any governmental agency or other organization with jurisdiction, shall be in the condition required by § 11.1 hereof and shall have attached or affixed thereto any special device considered an accession thereto as provided in § 11 and shall have removed therefrom at the Lessee's expense any addition, modification or improvement which, as provided in § 11, is owned by the Lessee. For the purpose of delivering possession of any Unit of Units as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic

and written notice to the Association of American Railroads and all railroads which may have possession thereof to return the Unit or Units) place such Units upon such storage tracks or at such storage areas of the Lessee or any of its affiliates as the Lessor reasonably may designate;

(b) permit the Lessor to store such Units on such tracks or at such storage areas at the risk of the Lessee without charge for insurance, rent or storage until all such Units have been sold, leased or otherwise disposed of by the Lessor; and

(c) transport the same to any place on the lines of railroad operated by the Lessee or any of its affiliates or to any connecting carrier for shipment, all as directed by the Lessor.

The assembling, delivery, storage, insurance and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store, insure and transport the Units. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Units in the condition required by § 11.1 and will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or user of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored as hereinabove provided as a result of any action or inaction on the part of the Lessee, within 30 days after such termination, the Lessee shall pay to the Lessor, for each day thereafter as liquidated damages, and not as a penalty, for the failure of the Lessee to return the Unit to the Lessor at the termination of this Lease pursuant to this § 14, an amount equal to the fair market rental for such Unit at the time of such termination. The provision for such payment shall not be in abrogation of the Lessor's right under this § 14 to have each Unit returned to it within 30 days after the termination of this Lease.

14.2. Lessor Appointed Agent of Lessee. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this § 14, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

SECTION 15. ASSIGNMENT, POSSESSION AND USE

15.1. Assignment; Consent. This Lease shall be assignable in whole or in part by the Lessor to any successor Lessor which may be appointed pursuant to Article VII of the Trust Agreement or to any banking or financial institution which has a combined capital and surplus of at least \$100,000,000 or, after the occurrence and during the continuation of an Event of Default, to any party. The Lessee hereby consents to the assignment of this Lease pursuant to the Security Agreement.

15.2. Lessee's Rights To Use the Units, To Permit Use Thereof by Others and To Sublease the Units. (1) So long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Lessee Consent, and (iii) the Agent is entitled to apply the Payments in accordance with the Security Agreement, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease and the Security Agreement. Without the prior written consent of the Lessor and the Agent, the Lessee shall not assign or transfer its leasehold interest under this Lease in any of the Units or sublease any of the Units, except as provided in paragraph (2) of this § 15.2; and the Lessee shall not, without the prior written consent of the Lessor and the Agent, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of paragraph (2) of this § 15.2. The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, (other than an encumbrance created by the Lessor or the Agent or resulting from claims against the Lessor or the Agent or any encumbrance on the leasehold estate of the Lessee which is subject and subordinate to the interests of the Lessor and the Agent) upon or with respect to any Unit, including any accession thereto, or the interest of the

Lessor, the Agent or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises.

(2) So long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Lessee Consent, and (iii) the Agent is entitled to apply the Payments in accordance with the Security Agreement, the Lessee shall be entitled to the possession of the Units and to the use of the Units by it or any affiliate upon lines of railroad and routes owned or operated by any such affiliate or upon lines of railroad and routes over which any such affiliate has trackage or other operating rights or over which railroad equipment of any such affiliate is regularly operated pursuant to contract and shall be entitled to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, but only upon and subject to all the terms and conditions of this Lease and the Security Agreement; and the Lessee may sublease the Units to, or permit their use by, a user incorporated in the United States of America (or any State thereof or the District of Columbia), upon lines of railroad or routes owned or operated by such user or by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia), or over which such user or such railroad company or companies have trackage or other operating rights, but only upon and subject and subordinate to all the terms and conditions of this Lease and the Security Agreement; provided, however, that the Lessor's consent, not to be unreasonably withheld, must be obtained for any sublease that is for a term longer than six months.

SECTION 16. TERMINATION OPTION; RENEWAL OPTIONS AND PURCHASE OPTIONS

16.1. Termination Option. (1) The Lessee shall have the right at its sole option on October 1, 1992, or on any Basic Rent Payment Date thereafter (the "Termination Date") on at least 90 days prior written notice (which notice shall be irrevocable) to the Lessor to terminate this Lease for any Unit or Units accompanied by a written certification from the Chief Financial Officer of the Lessee that the same have become obsolete or surplus to the needs of the Lessee. After the giving of such notice of termination, the Lessee shall use its reasonable best efforts to obtain the highest reasonable cash bids for said purchase of such Unit

or Units from unaffiliated third parties. The Lessor at its sole option and expense, may also solicit bids. If one or more bids have been received, the Lessor and the Lessee will jointly evaluate such bids and shall accept the highest bid. The Lessee shall use its commercially reasonable best efforts to conclude such sale on or prior to the Termination Date. On the date of sale, the Lessor shall, without recourse or warranty (except as to the Lessor's Liens), deliver to and sell the Units to the bidder or bidders, as the case may be, which shall have prior to such date submitted the highest cash bid. On the Termination Date and upon payment by the Lessee to the Lessor of the amount, if any, payable pursuant to the first sentence of § 16.1(2) hereof, the Lessee's obligation to make any payments of Basic Rent pursuant to § 3.1(1) hereof due with respect to the Units so sold after the Termination Date shall terminate.

(2) If the sale of the Units shall occur on or prior to the Termination Date, the total proceeds realized at such sale shall be retained by the Lessor and, in addition, on the Termination Date, the Lessee shall pay to the Lessor an amount equal to the excess, if any, of (1) the Termination Value as shown in Appendix C hereto for the Units as of the Termination Date plus all Basic Rent due on or prior to the Termination Date over (2) the proceeds of the sale of the Units (after deducting the reasonable out-of-pocket selling expenses incurred by the Lessor). During the period prior to a sale pursuant to this § 16.1, the Lessee will use its reasonable best efforts to keep the Lessor apprised of the general location of the Units and the Lessee will permit the Lessor or any person designated by it, including the authorized representatives of any prospective purchaser of such Units, at the Lessor's risk and expense, to conduct inspections of the Units so long as such inspections do not interfere with the normal use, operation or maintenance of the Units. If a sale does not occur on or prior to the Termination Date set forth in the notice, the Lessee must lease such Unit or Units until at least the next Basic Rent Payment Date.

16.2. Renewal for Successive Periods. (1) Provided that the Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than 180 days prior to the end of the Basic Term of this Lease, irrevocably elect to extend the Basic Term of this Lease in respect of such number of the Units as the Lessee chooses for an additional one-year period commencing on the

scheduled expiration of the Basic Term of this Lease ("Fixed Rate Renewal Term"). The Basic Rent payable during such extended term shall be payable semiannually in arrears on April 1 and October 1 of each year of such extended term and shall be in an amount equal to 50% of the average of the semi-annual Basic Rents payable during such Basic Term.

(2) Provided that the Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may, by written notice delivered to the Lessor not less than 180 days prior to the end of the Basic Term, the Fixed Rate Renewal Term or the first or second extended term of this Lease pursuant to this clause (2), irrevocably elect to extend the Basic Term, the Fixed Rate Renewal Term or such extended term, as the case may be, of this Lease in respect of such number of the Units as the Lessee chooses for an additional one-year period commencing on the scheduled expiration of the Basic Term, the Fixed Rate Renewal Term or such extended term, as the case may be, of this Lease. The Basic Rent payable during each such extended term shall be payable semi-annually in arrears on April 1 and October 1 of each year of such extended term and shall be in an amount equal to the "Fair Market Rental" at the time of renewal.

16.3. Determination of Fair Market Rental.

(1) Fair Market Rental shall be determined for each extended term of this Lease under § 16.2(2) on the basis of, and shall be equal in amount to, the rental which would obtain in an arm's-length transaction between an informed and willing lessee (other than the Lessee) and an informed and willing lessor under no compulsion to lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such rental and it shall be assumed that all the Units have been assembled as required by § 17.

(2) If, after 30 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease for any extended term pursuant to § 16.2(2) hereof, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental of the Units, such rental shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of such value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within

20 days after such notice is given, each party shall appoint an independent appraiser within 25 days after such notice is given, and the two appraisers so appointed shall within 30 days after such notice is given, appoint a third independent appraiser. If no such third appraiser is appointed within 30 days after such notice is given either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 60 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in New York, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be shared equally by the Lessor and Lessee.

16.4. Purchase Options. (1) Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice received by the Lessor not less than 180 days prior to the end of the Basic Term or any extended term of this Lease, irrevocably elect to purchase any or all of the Units then subject to this Lease at the lower of (i) 37% of the Purchase Price thereof per Unit or (ii) then Fair Market Value thereof, payable in cash on the last day of such term. Fair Market Value shall be determined on the basis of criteria and procedures comparable to those established for the determination of Fair Market Rental under § 16.3 hereof. Upon the purchase of and payment in full for Units pursuant to this § 16.4(1), the Lessor shall upon request of the Lessee execute and deliver to the Lessee a bill of sale (without warranties except those as to absence of Lessor's

Liens) for such Units as will transfer to the Lessee such title to such Units as the Lessor derived from the Builder.

(2) Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee shall have the right at its sole option on October 1, 1992, or on any Basic Rent Payment Date thereafter (the "Purchase Option Date") on at least 90 days prior written notice (which notice shall be irrevocable) to the Lessor to purchase any or all of the Units then subject to this Lease at the greater of (i) the Casualty Value as shown in Appendix C hereto for such Unit or Units as of the Purchase Option Date or (ii) the then Fair Market Value thereof, payable in cash on the Purchase Option Date. Fair Market Value shall be determined on the basis of criteria and procedures comparable to those established for the determination of Fair Market Rental under § 16.3 hereof. Upon the purchase of and payment in full for Units pursuant to this § 16.4(2), the Lessor shall upon request of the Lessee execute and deliver to the Lessee a bill of sale (without warranties except those as to absence of Lessor's Liens) for such Units as will transfer to the Lessee such title to such Units as the Lessor derived from the Builder.

SECTION 17. RETURN OF UNITS UPON EXPIRATION OF TERM

As soon as practicable on or after the expiration of the original or extended term of this Lease with respect to any Unit and in any event not later than 30 days thereafter, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon such tracks or at such storage areas of the Lessee or any of its affiliates as the Lessor may reasonably designate, or, in the absence of such designation, as the Lessee may select and permit the Lessor to store such Unit on such tracks or at such storage areas for a period not exceeding 90 days following notification to the Lessor by the Lessee that all the Units have been assembled and delivered for storage (the "Storage Period") and transport the same, at any time within the Storage Period, to any reasonable place on the lines of railroad operated by any such affiliates, or to any connecting carrier for shipment, all as directed by the Lessor, the movement and storage of such Units during the Storage Period to be at the expense and risk of the Lessee. During the Storage Period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or represen-

tatives of any prospective purchaser or user of such Unit, to inspect the same; provided, however, that neither the Lessee nor any of its affiliates shall be liable, except in the case of negligence or wilful misconduct of the Lessee or any such affiliate or of its or their employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser or user, the rights of inspection granted under this sentence. Each Unit returned to the Lessor pursuant to this § 17 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, (ii) be in the condition required by § 11.1, and (iii) have attached or affixed thereto any special device considered an accession thereto as provided in § 11 hereof and have removed therefrom any such device not so considered an accession (failing such removal, title thereto will immediately vest in the Lessor). During any such storage period the Lessee shall cause the Units to be maintained to the standard required by § 11.1 hereof. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any period of assembly and storage, the Lessee will, at its own cost and expense, insure (in the manner required by § 7.6 hereof) and maintain in good order the Units. In the event any Unit is not assembled, delivered and stored as hereinabove provided as a result of any action or inaction on the part of the Lessee, within 30 days after such termination, the Lessee shall pay to the Lessor, for each day thereafter as liquidated damages, and not as a penalty, for the failure of the Lessee to return the Unit to the Lessor at the expiration of this Lease as required by the provisions of this § 17, an amount equal to the fair market rental for such Unit at the time of such expiration, for each such day. The provision for such payment shall not be in abrogation of the Lessor's right under this § 17 to have each Unit returned to it within 30 days after the expiration of the original or extended term of this Lease with respect to such Unit. If the Lessor does not remove any Unit by the end of the Storage Period, the Lessor shall thereafter pay to the Lessee \$3 per Unit per day as a storage fee.

SECTION 18. RECORDING

The Lessee will cause this Lease and the Security Agreement to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303. The Lessee will undertake the filing, registering, deposit and recording required of the Lessor under the Security Agreement. The Lessee will also cause each Unit at all times to be licensed and registered in, and will cause a certificate of title therefor to be issued by, the State of Tennessee or such other state as the Lessor and the Lessee may agree. The Lessee will cause all such certificates of title to be issued in such names and to bear such notations as to legally indicate the security interest of the Agent in the Units and will promptly cause such certificates of title to be delivered to the Agent. All certificates of title shall be satisfactory in form and substance to the Owner and the Agent. The Lessee covenants that it will not, without the consent of the Agent and the Lessor (i) change or cancel the license or registration in the State of Tennessee or such other state of any Unit or cause such license or registration to be canceled or changed in any way, (ii) cause the certificate of title issued in respect of any Unit under the terms of this § 18 to be canceled or changed in any way, or (iii) cause any other certificate of title to be issued in respect of any Unit. The Lessee will further cause all necessary filings and recordings, and, when required, refilings and rerecordings of this Lease, any assignments hereof, and any amendments or supplements hereto or thereto and/or appropriate financing statements or continuation statements to be made, and from time to time when required, refiled and rerecorded, where filing is reasonably requested by the Agent for the purpose of proper protection, to the satisfaction of counsel for the Agent, of the Agent's security interest in the Units and rights under this Lease or for the purpose of carrying out the intention of this Lease. The Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Agent or the Lessor for the purposes specified in the immediately preceding sentence of this § 18.

The Lessee will from time to time perform any other act and will execute, acknowledge, deliver and file (and will refile whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Agent for the purpose of proper protection, to their satisfaction, of their respective interests in the

Units, or for the purpose of carrying out the intention of this Lease, and the Security Agreement; and the Lessee will promptly furnish to the Agent and the Lessor evidence of all such filings and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Agent and the Lessor.

The Lessee will promptly furnish to the Agent and the Lessor certificates or other evidence satisfactory to the Agent and the Lessor of any such filing, registering, depositing and recording.

SECTION 19. INTEREST ON OVERDUE RENTALS

Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee or the Lessor, as the case may be, promptly to pay interest on such amount computed at a rate per annum equal to 1-1/2% plus the higher of the rate paid on the Debt or the rate which Citibank, N.A. publicly announces from time to time as its prime rate ("Penalty Rate") of the overdue rentals and other obligations for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

SECTION 20. LESSOR'S AND OWNER'S RIGHT TO PERFORM FOR THE LESSEE

If the Lessee fails to perform or comply with any of its agreements contained herein, either the Lessor or the Owner may (but shall not be obligated to do so) upon notice to the Lessee itself perform or comply with such agreement, and the amount of the reasonable cost and expenses of the Lessor or the Owner incurred in connection with such performance or compliance, together with interest on such amount at the Penalty Rate, shall be payable by the Lessee upon demand except as otherwise provided in this Lease. No such performance or compliance by the Lessor or the Owner shall be deemed a waiver of the rights and remedies of the Lessor or any assignee of the Lessor against the Lessee hereunder or be deemed to cure the default of the Lessee hereunder.

SECTION 21. NOTICES

Any notice required or permitted hereunder shall be deemed to have been received by the addressee on the date of actual receipt (if such date is a business day, otherwise on the next business day) if transmitted by mail, air courier, telex, telecopy or similar transmission, or by hand, addressed as follows:

(a) if to the Lessor, at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department, with a copy to the Owner at its address set forth in Paragraph 12 to the Participation Agreement; and

(b) if to the Lessee, at 100 North Charles Street, Baltimore, Maryland 21201, Attention of Treasurer-CSX Equipment Unit, with a copy to the Guarantor at its address set forth in Paragraph 12 of the Participation Agreement;

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing.

SECTION 22. SEVERABILITY

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 23. EFFECT AND MODIFICATION OF LEASE

Except for the Participation Agreement and the Indemnity Agreement, this Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Lessor and the Lessee.

SECTION 24. THIRD PARTY BENEFICIARIES

Nothing in this Lease shall be deemed to create any right in any person not a party hereto (other than the Owner, the Agent and the permitted successors and assigns of a party) and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party except as aforesaid.

SECTION 25. EXECUTION

This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Agent shall be deemed to be the original and all other counterparts shall be deemed duplicates thereof. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

SECTION 26. LAW GOVERNING

The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303 and such additional rights arising out of the filing, recording or deposit hereof, if any, and out of the issuance of any certificate of title and out of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Lease or any assignment hereof shall be filed, recorded or deposited or in which any Unit shall be located, and any rights arising out of the marking of the Units or of the issuance of any certificate of title.

SECTION 27. NO PERSONAL LIABILITY OF THE LESSOR

Anything herein to the contrary notwithstanding, each and all of the representations, warranties and agreements herein made on the part of the financial institution acting as Lessor are each and every one of them made and intended not as personal representations, warranties and agreements by said financial institution in its individual capacity or for the purpose or with the intention of binding said financial institution personally, but are made and

intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Lease is executed and delivered by the Lessor solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution or the Owner on account of any representation, warranty or agreement hereunder of the Lessor, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee.

SECTION 28. AGREEMENTS FOR BENEFIT OF OWNER
AND OWNER'S AND LESSOR'S ASSIGNS

All rights of the Lessor hereunder shall inure to the benefit of the Owner and any of the Owner's assigns under the Trust Agreement and the Lessor's assigns including the Agent.

SECTION 29. TERM LESSOR

Whenever the term "Lessor" is used in this Lease it shall apply and refer to the Lessor and any assignee of the Lessor (including, so long as any Notes or interest thereon shall remain unpaid, the Agent).

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

CSX LOGISTICS INC.,

by _____

[Corporate Seal]

Attest:

Secretary

SECTION 28. AGREEMENTS FOR BENEFIT OF OWNER
AND OWNER'S AND LESSOR'S ASSIGNS

All rights of the Lessor hereunder shall inure to the benefit of the Owner and any of the Owner's assigns under the Trust Agreement and the Lessor's assigns including the Agent.

SECTION 29. TERM LESSOR

Whenever the term "Lessor" is used in this Lease it shall apply and refer to the Lessor and any assignee of the Lessor (including, so long as any Notes or interest thereon shall remain unpaid, the Agent).

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

CSX LOGISTICS, INC.,

by

M. D. Sanders

Vice President

RdH

[Corporate Seal]

Attest:

John P. Hymowitz
JPH Secretary

THE CONNECTICUT BANK AND TRUST
COMPANY, NATIONAL ASSOCIATION,
as Trustee as aforesaid,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer

SECTION 28. AGREEMENTS FOR BENEFIT OF OWNER
AND OWNER'S AND LESSOR'S ASSIGNS

All rights of the Lessor hereunder shall inure to the benefit of the Owner and any of the Owner's assigns under the Trust Agreement and the Lessor's assigns including the Agent.

SECTION 29. TERM LESSOR

Whenever the term "Lessor" is used in this Lease it shall apply and refer to the Lessor and any assignee of the Lessor (including, so long as any Notes or interest thereon shall remain unpaid, the Agent).

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

CSX LOGISTICS, INC.,

by _____

[Corporate Seal]

Attest:

Secretary


THE CONNECTICUT BANK AND TRUST
COMPANY, NATIONAL ASSOCIATION,
as Trustee as aforesaid,

by 

Authorized Officer

[Seal]

Attest:



Authorized Officer

STATE OF MARYLAND,)
) SS.:
CITY OF BALTIMORE,)

On this 15th day of June 1987, before me personally appeared M. S. Sanders, to me personally known, who, being by me duly sworn, says that he is ^{Vice} President of CSX LOGISTICS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Glenda J. Green
Notary Public

[Notarial Seal]

My Commission expires *July 1, 1990.*

STATE OF CONNECTICUT,)
) ss.:
COUNTY OF HARTFORD,)

On this day of June 1987, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, that one of the seals affixed to the foregoing instrument is the seal of said national association and that said instrument was signed and sealed on behalf of said national association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national association.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF MARYLAND,)
) ss.:
CITY OF BALTIMORE,)

On this day of June 1987, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is President of CSX LOGISTICS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF CONNECTICUT,)
) ss.:
COUNTY OF HARTFORD,)

On this 15th day of June 1987, before me personally appeared **V. Kreuscher** to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, that one of the seals affixed to the foregoing instrument is the seal of said national association and that said instrument was signed and sealed on behalf of said national association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national association.

Rutha Smith
Notary Public

[Notarial Seal]

My Commission expires

APPENDIX A TO LEASE

<u>Type</u>	<u>Builder's</u>		<u>Manufacturer's</u>	<u>Quantity</u>	<u>Lessee's</u>		<u>Unit</u>	<u>Total</u>	<u>Estimated</u>
	<u>Manufacturer</u>	<u>Specifications</u>	<u>Plant</u>		<u>Road</u>	<u>Numbers</u>			
						(Both Inclusive)	Price	Price	Time and Place of Delivery
RoadRailer Mark IV Model 3100 Van	Wabash National Corpora- tion	Specifica- tions dated August 28, 1986.	Lafayette, Indiana	250	CSRZ 914000 - CSRZ 914249		\$43,856.86	\$10,964,215	June-September, 1987, at Manu- facturer's Plant.

APPENDIX B TO LEASE

Basic Rent

<u>Basic Rent Payment Date</u>	<u>Basic Rent as Percentage of Purchase Price</u>
4/01/88	2.85000)
10/01/88	9.1877)
4/01/89	2.5490)
10/01/89	9.4888)
4/01/90	2.2193) in arrears
10/01/90	9.8184)
4/01/91	1.8594)
10/01/91	10.1794)
4/01/92	1.4631)
10/01/92	10.5746)
10/01/92	.0000]
4/01/93	14.7128]
10/01/93	.3804]
4/01/94	14.3324]
10/01/94	.0000]
4/01/95	14.7128] in advance
10/01/95	.0000]
4/01/96	14.7128]
10/01/96	.0000]
4/01/97	14.7128]

APPENDIX C TO LEASE

Casualty Values and Termination Values

<u>Dates</u>	<u>Casualty Values as Percentage of Purchase Price</u>	<u>Termination Values as Percentage of Purchase Price</u>
10/01/87	104.8611	104.8611
4/01/88	105.4114	105.4114
10/01/88	100.7982	100.7982
4/01/89	102.4513	102.4513
10/01/89	97.0991	97.0991
4/01/90	98.6628	98.6628
10/01/90	92.6153	92.6153
4/01/91	94.1805	94.1805
10/01/91	87.4546	87.4546
4/01/92	89.0934	89.0934
10/01/92	81.6676	81.6676
4/01/93	69.7217	69.7217
10/01/93	71.5444	71.5444
4/01/94	59.5061	59.5061
10/01/94	61.2796	61.2796
4/01/95	48.4560	48.4560
10/01/95	49.8516	49.8516
4/01/96	36.6768	36.6768
10/01/96	37.7249	37.7249
4/01/97	25.0000	25.0000
10/01/97	20.0000	.0000

Certificate of Acceptance

To: THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL
ASSOCIATION (the "Lessor")

I, the duly authorized representative for CSX
Logistics, Inc. (the "Lessee") under the Lease of RoadRailer
Vans, dated as of June 1, 1987, do hereby certify that I
inspected or caused to be inspected and have accepted
delivery thereunder of the following Units of Equipment:

TYPE OF EQUIPMENT: Mark IV RoadRailer Van
MODEL: Model 3100
DATE ACCEPTED:
NUMBER OF UNITS:
NUMBERED:
MANUFACTURER'S NUMBER:

I do further certify that the foregoing Units are
in good order and condition, and conform to the specifica-
tions, requirements and standards applicable thereto as
provided in the Lease and the Purchase Agreement.

I do further certify that each of the foregoing
Units has been marked upon each side of each such Unit in
letters not less than one inch in height as follows:

"OWNED BY A BANK OR TRUST COMPANY AND SUBJECT TO A
SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE
COMMISSION."

The execution of this Certificate will in no way
relieve or decrease the responsibility of the Builder named
below for any warranties it has made with respect to the
Equipment.

Authorized Representative
of Lessee

BUILDER:

The RoadRailer Division of
The Chamberlain Group, Inc.